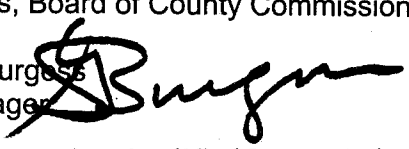


Memorandum



Date: January 20, 2005

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: George M. Burgess
County Manager 

Subject: Resolution Approving Qualified Target Industry Tax Refund for Confidential Project No. 05-00099

Agenda Item No. 7(K)(1)(A)

The attached documents relating to support for a Qualified Target Industry (QTI) tax refund, under the State of Florida QTI tax refund program pursuant to Florida Statutes Section 288.106, have been prepared by the Office of Community and Economic Development in conjunction with the Beacon Council and are recommended for approval.

APPLICANT:

Confidential Project No. 05-00099

HEADQUARTERS LOCATION:

Not Available

PROPOSED LOCATION IN MIAMI-DADE COUNTY:

Miami-Dade County

OTHER LOCATIONS UNDER CONSIDERATION:

South Carolina

DATE OF QTI APPLICATION TO STATE:

October 26, 2004

OVERALL BUSINESS ACTIVITY/MISSIONS:

Processing and recycling scrap metal, and manufacturing steel materials

PROPOSED LOCAL BUSINESS ACTIVITY

To expand existing Florida Business

PROPOSED CAPITAL INVESTMENT:

\$25,000,000

TARGETED INDUSTRY:

Metal manufacturing

PROPOSED LOCATION IN ENTERPRISE ZONE:

No

NEW BUSINESS OR EXPANDING BUSINESS:

Expanding

NUMBER OF DIRECT JOBS TO BE CREATED:

239

INDIVIDUAL ANNUALIZED WAGES FOR NEW JOBS:

\$38,000

Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

Page 2

NUMBER OF INDIRECT JOBS TO BE CREATED:	143
NUMBER OF YEARS TO CREATE NEW JOBS:	3
MAXIMUM TAX REFUND PER JOB:	\$3,000
EST. INCREMENTAL COUNTY TAX REVENUE:	\$895,699
COUNTY'S 20% MAXIMUM CONTRIBUTION:	\$143,400
STATE 80% MAXIMUM CONTRIBUTION:	\$573,600
TYPE OF FUNDS REQUESTED IN APPLICATION:	General Funds
COMMENTS:	Information for this item was provided by the Beacon Council.

Attachments



Assistant County Manager



MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: January 20, 2005

FROM: Robert A. Ginsburg
County Attorney

SUBJECT: Agenda Item No. 7(K)(1)(A)

Please note any items checked.

- ☐ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 7(K)(1)(A)

01-20-05

RESOLUTION NO. _____

RESOLUTION RECOMMENDING THAT CONFIDENTIAL PROJECT NO. 05-00099 BE APPROVED AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO FLORIDA STATUTES S-288.106, CONFIRMING THAT THE COMMITMENTS OF LOCAL FINANCIAL SUPPORT NECESSARY FOR CONFIDENTIAL PROJECT NO. 05-00099 EXIST; AND PROVIDING AN APPROPRIATION OF UP TO \$143,400 FROM GENERAL REVENUE FUNDS AS LOCAL PARTICIPATION IN THE STATE OF FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM FOR FISCAL YEARS 2007, 2008, 2009, 2010, 2011 AND 2012 OR OVER A TIME PERIOD AS DETERMINED BY THE STATE OF FLORIDA IN ITS APPROVAL OF CONFIDENTIAL PROJECT NO. 05-00099 APPLICATION WITH THE PROVISIO THAT ANY TAX ABATEMENT GRANTED TO CONFIDENTIAL PROJECT NO. 05-00099 UNDER FLORIDA STATUTE 196.1995 REDUCES ANY QUALIFIED TARGET INDUSTRY TAX REFUND TO CONFIDENTIAL PROJECT NO. 05-00099 BY THE AMOUNT OF ANY SUCH TAX ABATEMENT GRANTED, IN COMPLIANCE WITH FLORIDA STATUTE 288.106(5)9(C); AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, Economic Impact Overview, and application, copies of which are incorporated herein by reference ; and

WHEREAS, said industries include enterprises like Confidential Project No. 05-00099, that relocate, expand or otherwise increase their operations within the County, and which increase employment by at least ten (10) jobs,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY NOW COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby finds that attracting, retaining and providing favorable conditions for the growth of target industries provide high quality employment for residents of the County and enhance the County's economic foundations and recommends that Confidential Project No.05-00099 be approved as a qualified target industry business pursuant to Florida Statute 288.16, which created the Qualified Target Industry Tax Refund Program.

The applicant's new business activity will not be located within the County's Miami-Dade Enterprise Zone.

The necessary commitment of local financial support for Confidential Project No. 05-00099, as required under Florida Statute 288.106, exists in an amount not to exceed \$143,400 from General Revenue Funds; and that this local financial support will be available in the following increments:

Fiscal Year 2007	\$23,900
Fiscal Year 2008	\$23,900
Fiscal Year 2009	\$23,900
Fiscal Year 2010	\$23,900
Fiscal Year 2011	\$23,900
Fiscal Year 2012	\$23,900
Total	\$143,400

or payable over a time period and at annual amounts as determined by the State of Florida in its approval of Confidential Project No. 05-00099 application, as long as the \$143,400 total is not exceeded with the proviso that any tax abatement granted to Confidential Project No. 05-00099 under Florida Statute 196.1995 reduces any QTI tax refund by the amount of any such tax

5

abatement granted, in compliance with Florida Statute 288.106(5)(c); and will be paid to the Florida Economic Development Trust Fund with the stipulation that these funds are intended to represent the "local financial support" required by Florida Statute 288.106 for Confidential Project No. 05-00099 in compliance with the QTI Program, including the requirement that at least ten (10) jobs be created.

The necessary commitment of local financial support shall be contingent on Confidential Project No. 05-00099 maintaining the jobs during the life of the incentive and ensuring that its hiring practices are consistent with and reflect the diversity of the Miami-Dade County Community.

The foregoing resolution was offered by Commissioner ,
who moved its adoption. The motion was seconded by Commissioner
and upon being put to a vote, the vote was as follows:


Joe A. Martinez, Chairman	
Dennis C. Moss, Vice-Chairman	
Bruno A. Barreiro	Dr. Barbara Carey-Shuler
Jose "Pepe" Diaz	Carlos A. Gimenez
Sally A. Heyman	Barbara J. Jordan
Dorin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 20th day of January, 2005. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency.



By: _____
Deputy Clerk

Shannon D. Summerset



THE BEACON COUNCIL

RECEIVED
NOV -3 PM 12:09
OFFICE OF COMMUNITY &
ECONOMIC DEVELOPMENT

October 28, 2004

Ms. Tangie White
Director, Economic Development Division
Office of Community & Economic Development
140 West Flagler Street, Suite 1000
Miami, FL 33130-1561

Miami-Dade
County's
Official
Economic
Development
Partnership

Dear Ms. White:

Enclosed you will find an application for the State of Florida's Qualified Target Industry Tax Refund Program (QTI). The company applying for the QTI program incentive will create 239 new jobs in a three-year period (2006 – 2008) with an average salary of \$38,000 and a capital investment of approximately \$25,000,000. The company will occupy approximately 150,000 sq. ft.

The applicant, Confidential Project # **05-00099** is considering establishing a Steel Mini Mill Miami-Dade County.

We are referring this application to your office for review and preparation of a resolution to the Miami-Dade Board of County Commissioners requesting a maximum of \$143,400 to be paid over a 6-year period (2007 – 2012) for the 20% matching funds required for this program from the local community. Enterprise Florida is reviewing the application and will provide 80% \$573,600 of the funding for a total incentive of \$717,000

The company is in the process of evaluating other sites in South Carolina and therefore needs an approval as soon as possible. We are requesting that the Economic Development Committee consider approval of the application at their December 12, 2004 meeting, followed by approval by the Miami-Dade Board of County Commissioners meeting in January 2005.

We look forward to continuing to work together for the benefit of the economic development of Miami-Dade County. If you have any questions please contact Claudia Reyes at 305-579-1339.

Sincerely,


Carlos Leonard
Assistant Executive Vice President
Business Development

cc: Mr. Tony Crapp, Assistant County Manager, Miami-Dade County
Mr. Bryan Finnie, Director, OCED
Mr. Jurgen Teintze, Budget Analyst, Miami-Dade County
Mr. Roger Miller, Enterprise Florida

80 Southwest
Eighth Street
Suite 2400
Miami,
Florida
33130
Telephone:
305.579.1300
Facsimile:
305.375.0271
[www.beacon
council.com](http://www.beaconcouncil.com)

INCENTIVE PROPOSAL CHECKLIST

Project Name: Confidential Project # 05-00099

1. Number of New Jobs Projected	239
2. Average Salary per Job	\$38,000
3. New Capital Investment	\$25,000,000
4. New Square Footage	150,000
5. Per Job Incentive	\$3,000

QUALIFIED TARGET INDUSTRY TAX REFUND (QTI) BASED UPON THE CREATION OF

239 New Jobs Over

3 Years

TOTAL QTI TAX REFUND

1. State of Florida Portion (80%)	\$573,600
2. Miami-Dade County Match (20%)	\$143,400
Total QTI Tax Refund Proposal	\$717,000

RETURN ON INCENTIVE INVESTMENT (ROI)

1. Miami-Dade County Incremental Tax Revenue*	\$895,699
2. Total Miami-Dade County (20%) QTI Match	\$143,400
3. Net Revenue Benefit	\$752,299
Total ROI Gain/Loss/Breakeven	6.25

* See Economic Impact Analysis - Tab IV

SUMMARY OF ECONOMIC IMPACT:**Confidential Project # 05-00099**

Totals represent what Miami-Dade County
would potentially gain over a projected six year
period if the business
expands in Miami- Dade County.

Employment

Direct Employment	239
Indirect Employment	143

Total Employment Gain	382
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Income from Wages

Direct Employment	\$48,234,175
Indirect Employment	\$14,470,253

Total Income Gain	\$62,704,428
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Revenue to Miami-Dade County

Total Property Taxes	\$819,513
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Total Local Sales Taxes	\$76,186
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Total Tax Revenue Gain	\$895,699
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Total Miami-Dade County (20%) QTI Match	\$143,400
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Net Revenue Benefit	\$752,299
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BEACON COUNCIL ECONOMIC IMPACT MODEL

Confidential Project # 05-00099

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL
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EMPLOYMENT

Total Direct Jobs	80	170	239	239	239	239
Indirect Employment	48	102	143	143	143	143
<u>TOTAL EMPLOYMENT</u>	128	272	382	382	382	382

INCOME (\$1,000)

WAGES & SALARY

Total Direct Wages	\$3,040.0	\$6,653.8	\$9,635.1	\$9,635.1	\$9,635.1	\$9,635.1	\$48,234.2
Total Indirect Wages	\$912.0	\$1,996.1	\$2,890.5	\$2,890.5	\$2,890.5	\$2,890.5	\$14,470.3
TOTAL WAGES & SALARIES	\$3,952.0	\$8,649.9	\$12,525.6	\$12,525.6	\$12,525.6	\$12,525.6	\$62,704.4

<u>TOTAL INCOME</u>	\$3,952.0	\$8,649.9	\$12,525.6	\$12,525.6	\$12,525.6	\$12,525.6	\$62,704.4
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INCREMENTAL PROPERTY TAXES (\$1,000)

Building & Equipment Taxes

TOTAL PROPERTY TAXES	\$546.5	\$524.7	\$505.0	\$496.9	\$471.3	\$457.0	\$3,001.3
MIAMI-DADE PROPERTY TAXES	\$149.2	\$143.3	\$137.9	\$135.7	\$128.7	\$124.8	\$819.5

SALES TAXES (\$1,000)

Available Income	\$3,952.0	\$8,649.9	\$12,525.6	\$12,525.6	\$12,525.6	\$12,525.6	\$62,704.4
Less Federal Income Tax	\$3,161.6	\$6,920.0	\$10,020.5	\$10,020.5	\$10,020.5	\$10,020.5	\$50,163.5
Less Hous, Ins, Prop Tax	\$2,371.2	\$5,190.0	\$7,515.4	\$7,515.4	\$7,515.4	\$7,515.4	\$37,622.7
Less Savings, Life Insur.	\$2,134.1	\$4,671.0	\$6,763.8	\$6,763.8	\$6,763.8	\$6,763.8	\$33,860.4
Less Food, Drugs, Other Non-Tax	\$1,600.6	\$3,503.2	\$5,072.9	\$5,072.9	\$5,072.9	\$5,072.9	\$25,395.3
Avail. Income For Sales Tax	\$1,600.6	\$3,503.2	\$5,072.9	\$5,072.9	\$5,072.9	\$5,072.9	\$25,395.3
State Sales Tax Realized	\$96.0	\$210.2	\$304.4	\$304.4	\$304.4	\$304.4	\$1,523.7
Local Sales Tax Realized	\$4.8	\$10.5	\$15.2	\$15.2	\$15.2	\$15.2	\$76.2

TOTAL							
<u>SALES TAXES (\$1,000)</u>	\$100.8	\$220.7	\$319.6	\$319.6	\$319.6	\$319.6	\$1,599.9

<u>TOTAL MIAMI-DADE</u>							
<u>PROPERTY &</u>							
<u>SALES TAXES (\$1,000)</u>	\$154.0	\$153.8	\$153.1	\$150.9	\$143.9	\$140.0	\$895.7

<u>TOTAL</u>							
<u>PROPERTY &</u>							
<u>SALES TAXES (\$1,000)</u>	\$647.3	\$745.4	\$824.6	\$816.5	\$790.9	\$776.6	\$4,601.2

Employment Assumptions

New Direct Permanent Jobs

Year 1	80
Year 2	170
Year 3	239
Year 4	239
Year 5	239
Year 6	239

Incremental Multiplier 0.60
 * For every 100 direct jobs, 60 indirect jobs will be created. Total multiplier effect is 1.60.

Annual Income Assumptions

Yearly Salary, Direct Permanent Job	\$38,000
Indirect Job Salary	\$19,000

Inflation 103%

Capital Investment

Y1 Value	\$25,000,000
Y2 Value	\$24,000,000
Y3 Value	\$23,100,000
Y4 Value	\$22,729,000
Y5 Value	\$21,561,000
Y6 Value	\$20,904,900

Property/Real Estate Taxes

Mill Rate, Less Dade's Revenue	0.01589
Miami-Dade's Revenue Mill Rate	0.00597
Miami-Dade's Total Mill Rate	0.02186

Assessment Value of Real Property 90%

Sales Tax Rates

Calculation: Income Available For Sales Tax

Income Devoted to:

Federal Income Tax Liability , 20%	0.80
Housing, Insurance, Real Estate Taxes, 25%	0.75
Savings, Life Insurance, 10%	0.90
Food, Drugs, Other Non-Tax Items, 25 %	0.75

Sales Tax Rates

Florida Sales Tax	6.00%
Miami-Dade County Sales Tax	0.30%
Total Sales Tax	6.30%